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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC #7678-83
25 October 1983

MEMORANDUM FOR: Acting Director of Central Intelligence

THROUGH : David Y. McManis
National Intelligence Officer for Warning

FROM : David D. Gries
National Intelligence Officer for Narcotics

SUBJECT : Narcotics Warning and Forecast Meeting

During the 20 October 1983 East Asia Warning and Forecast Meeting, representatives of the Intelligence Community made forecasts concerning the following subjects.

I. Warning - Nothing to report.

II. Forecasts

(1) Colombia -- Growing Importance as a Transit Center

Colombia's role in illicit drug trade with the US is changing. While crop production has remained relatively stable, or increased slightly -- despite GOC eradication efforts -- trafficking continues to increase. Money laundering in Colombia has, however, leveled off as other Caribbean countries have gotten into the act -- Panama, Bahamas, Venezuela and Bolivia.

Despite the harder line Bogota has taken, traffickers continue to increase in numbers. We believe this increase is due to the geographically central location of Colombia vis-a-vis sources and entry points to the US -- particularly the ease of transit via Cuban air space and territorial waters. The increase in trafficking groups, we believe, will lead to increasing violent clashes between traffickers as they compete for market share both with producers and US consumers.

(2) Crop Reduction and US Aid Incentives

(A) Opium

Crop reduction programs may be reaching the point of diminishing returns in many countries. Despite sometimes highly visible governmental support (much of it symbolic) and large sums of

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US program support, as in Mexico, Burma and Thailand, reduction in total crop acreage may be leveling off. The reason is that where government programs are effective, growers merely move further away, to areas where government influence is less and their crops will not be disturbed. Simultaneously, the cost of eradication programs continues to grow. Mexico, for instance, will require \$25 million over the next four years to sustain its present level of effort. In Pakistan, where recent eradication programs have reduced crop size, gains have been offset by increased production in Afghanistan.

(B) Coca

Programs in Colombia and Peru have shown a lack of progress to date because of the shifting of growing areas to locations further from areas of government control. Improvement is not expected in Bolivia because of the weak position of the government and the likelihood of a coup.

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